

Estimated Cost Impact of Workers' Compensation Changes

2007 to date

Produced for
Labor-Management Advisory Council
By Employment Relations Div.

(LMAC created 12/2006)		In Millions
NCCI Loss Cost Filing 7/1/07	-1.30%	-\$6.1
NCCI Loss Cost Filing 2/1/08	-2.90%	-\$13.5
NCCI Loss Cost Filing 7/1/08	-1.80%	-\$8.2
NCCI Loss Cost Filing 7/1/09	-2.20%	-\$10.0
NCCI Loss Cost Filing 7/1/10	-6.40%	-\$27.8
Used for Cost Estimates Below:		2010 Total Costs
		\$389 Million

Recommended Changes		Benefit	Percent Benefit Impact	Percent Indemnity Impact	Percent Medical Impact	Percent Impact on Rates	Employer Costs In Millions	Running Total	Proposed Rule 2011 % of Medicare
		Medical							
Adoption of Utilization and Treatment Guidelines.		Medical	-36.0%		-36.0%	-22.1%	-\$85.9	\$303.1	
(Free Schedule Savings adjusted to reflect impact of Frontier State provisions)						Adj. % ER Impact	Adj \$ ER cost		
Modification of Fee Schedules to 150% of Medicare		% Medical	% Affected	2011 Multiple to Medicare (current rule)	Impact on Medical				
a. Non-Facility		57.6%	90.0%	187.3%	-2.5%	-1.5%	-\$5.8	\$297.3	167.4%
b. Hospital Inpatient (relative to CMS posted base rate)		15.7%	80.9%	169.7%	-1.5%	-0.9%	-\$3.5	\$293.9	149.8%
c. Outpatient Surgery - Total of ASC and Hospital Outpatient		16.6%	80.1%	203.4%	-2.6%	-1.5%	-\$1.2	\$292.7	164.3%
i. Ambulatory Surgery Centers		7.2%	78.8%	202.1%	-0.5%	-0.3%	-\$1.2	\$292.7	184.3%
ii. Outpatient Hospital		9.4%	80.9%	172.9%	-1.1%	-0.6%	-\$2.4	\$290.2	148.9%
Clarifying Course and Scope.		Ind/Med				0.0%	\$0.0	\$290.2	
Statutory Claim Closure.		Ind/Med				0.0%	\$0.0	\$290.2	
Settlement of Future Medical Benefits.		Medical	-10.0%		-10.0%	-6.0%	-\$23.2	\$267.0	
Total After Savings								\$267.0	
Total Savings								\$122.0	